

UNITED STATES-JAPAN FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2003 and 2002

INDEPENDENT AUDITORS' REPORT

Board of Directors
United States-Japan Foundation
New York, New York

We have audited the accompanying statements of financial position of the United States-Japan Foundation (the "Foundation") as of December 31, 2003 and 2002, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of the Foundation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of United States-Japan Foundation as of December 31, 2003 and 2002, and the results of its activities and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

New York, New York
March 3, 2004

UNITED STATES-JAPAN FOUNDATION

Statements of Financial Position

	December 31,	
	<u>2003</u>	<u>2002</u>
ASSETS		
Cash	\$ 121,711	\$ 113,060
Accrued income receivable	119,118	31,695
Investments	79,348,009	69,302,578
Property and equipment, net	679,269	741,504
Prepaid federal excise tax		20,000
Other assets	<u>41,832</u>	<u>116,252</u>
	<u>\$ 80,309,939</u>	<u>\$ 70,325,089</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Grants payable	\$ 968,235	\$ 1,499,712
Accounts payable and accrued expenses	37,254	71,121
Accrued federal excise tax	<u>42,007</u>	
	1,047,496	1,570,833
Commitment (Note D)		
Net assets - unrestricted	<u>79,262,443</u>	<u>68,754,256</u>
	<u>\$ 80,309,939</u>	<u>\$ 70,325,089</u>

UNITED STATES-JAPAN FOUNDATION

Statements of Activities

	Year Ended December 31,	
	2003	2002
Investment income:		
Dividends	\$ 2,978,187	\$ 2,466,120
Interest	<u>81,350</u>	<u>129,957</u>
	3,059,537	2,596,077
Less investment expenses	<u>840,805</u>	<u>811,259</u>
Net investment income	<u>2,218,732</u>	<u>1,784,818</u>
Expenses:		
Grants	1,540,953	2,161,563
US-Japan Leadership Program	444,506	499,848
Program	924,027	993,180
Administrative	<u>455,052</u>	<u>460,381</u>
	<u>3,364,538</u>	<u>4,114,972</u>
Excess of expenses over net investment income before net realized and unrealized losses on investments and contribution	(1,145,806)	(2,330,154)
Net realized and unrealized gains (losses) on investments	<u>11,653,993</u>	<u>(13,274,235)</u>
Change in net assets - unrestricted	10,508,187	(15,604,389)
Net assets - unrestricted, January 1	<u>68,754,256</u>	<u>84,358,645</u>
Net assets - unrestricted, December 31	\$ <u>79,262,443</u>	\$ <u>68,754,256</u>

UNITED STATES-JAPAN FOUNDATION

Statements of Cash Flows

	Year Ended December 31,	
	2003	2002
Cash flows from operating activities:		
Change in net assets	\$ 10,508,187	\$ (15,604,389)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized (gains) losses on investments	(11,653,993)	13,274,235
Depreciation and amortization	65,691	70,481
Loss (gain) on disposal of property and equipment	263	(763)
Changes in:		
Accrued income receivable	(87,423)	10
Prepaid federal excise tax	20,000	92,768
Other assets	74,420	(73,823)
Grants payable	(531,477)	(711,516)
Federal excise tax payable	42,007	
Accounts payable and accrued expenses	(33,867)	(1,557)
Net cash used in operating activities	<u>(1,596,192)</u>	<u>(2,954,554)</u>
Cash flows from investing activities:		
Purchases of investments	(58,491,505)	(32,244,081)
Proceeds from sales of investments	60,100,067	35,188,980
Purchases of property and equipment	<u>(3,719)</u>	<u>(3,921)</u>
Net cash provided by investing activities	<u>1,604,843</u>	<u>2,940,978</u>
Net change in cash	8,651	(13,576)
Cash - January 1	<u>113,060</u>	<u>126,636</u>
Cash - December 31	<u>\$ 121,711</u>	<u>\$ 113,060</u>

UNITED STATES-JAPAN FOUNDATION

Notes to Financial Statements December 31, 2003 and 2002

NOTE A - THE FOUNDATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

[1] The Foundation:

The United States-Japan Foundation (the "Foundation") is a private foundation organized in 1980 for the purpose of promoting understanding and cooperation between the peoples and institutions of the United States and Japan.

[2] Federal excise taxes:

The Foundation qualifies as a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code (the "Code") and, accordingly, is not subject to federal income taxes. However, the Foundation is subject to an excise tax, not to exceed 2% on net investment income, including realized gains, as defined in the Code. In addition, the Foundation must make certain minimum distributions in an amount equal to 5% of the average fair value of its assets held during the year. The required distributions for the years ended December 31, 2003 and 2002 were approximately \$3,580,000 and \$3,930,000, respectively. At December 31, 2003, the Foundation has excess distribution carryforwards of approximately \$6,300,000 expiring in 2004 through 2008.

[3] Accrual basis of accounting:

The financial statements of the Foundation have been prepared using the accrual basis of accounting.

[4] Net assets:

The Foundation's net assets, which are unrestricted, represent resources available for current operations as there are no donor restrictions on the use of these assets.

[5] Fair value of financial instruments:

Financial instruments are composed of cash and other assets, the carrying values of which approximate their fair values. Similarly, the reported amounts of liabilities are estimated to approximate their fair value. Investments are reported at their fair market values.

[6] Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

[7] Contributions:

Proceeds from contributions are recorded as revenue upon receipt of cash or unconditional pledges. Proceeds from contributions are considered available for unrestricted use unless specifically restricted by the donor.

UNITED STATES-JAPAN FOUNDATION

Notes to Financial Statements December 31, 2003 and 2002

NOTE B - INVESTMENTS

- [1] Investments are reported at their aggregate fair values, and investment transactions are recorded as of the trade dates.

Management records its investments in limited partnerships at their estimated fair values, based upon financial statements provided by the partnerships' general partners.

Any investments denominated in foreign currencies are translated at the closing rate of exchange at the end of the reporting period. Transactions during the year, including purchases and sales and income and expenses, are translated at the rate of exchange prevailing on the dates of the transactions.

Realized and unrealized gains or losses on investments are determined by the comparison of specific costs of acquisition to the proceeds at the time of disposal and the market values at the balance-sheet date, respectively. Realized and unrealized gains or losses include the effects of currency translation with respect to foreign security transactions. Realized losses were \$5,316,503 and \$6,271,806 for the years ended December 31, 2003 and 2002, respectively. Unrealized gains (losses) were \$16,974,014 and \$(6,979,759) for the years ended December 31, 2003 and 2002, respectively.

A forward exchange currency contract is a commitment to purchase or sell a foreign currency at a future date, at a negotiated rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized losses on investments. The net realized losses on forward exchange currency contracts were \$3,518 and \$22,670 for the years ended December 31, 2003 and 2002, respectively.

- [2] At each year-end, the cost and fair value of the Foundation's investments were as follows:

	December 31,			
	2003		2002	
	Fair Value	Cost	Fair Value	Cost
Money-market and other temporary investments	\$ 1,129,818	\$ 1,134,045	\$ 2,952,189	\$ 2,960,443
Mutual funds	50,072,835	44,318,511	24,668,020	26,115,108
Limited partnerships	18,851,084	18,211,083	9,385,505	12,316,578
Common stocks	9,294,272	8,088,403	32,296,864	37,288,496
Total investments	<u>\$ 79,348,009</u>	<u>\$ 71,752,042</u>	<u>\$ 69,302,578</u>	<u>\$ 78,680,625</u>

Approximately 19 percent and 37 percent of the Foundation's marketable securities were held by highly capitalized financial institutions, during the years ending December 31, 2003 and 2002, respectively.

Investments valued by the general partner of limited partnerships relating to not-readily-marketable securities aggregated approximately \$350,000 and \$950,000 at December 31, 2003 and 2002, respectively.

In connection with investment activity, the Foundation selects various investment vehicles, including limited partnerships. Under the terms of the limited partnership agreements, the Foundation may make an initial capital contribution and may commit to funding additional capital. At December 31, 2003, the Foundation has no commitments to provide additional capital investments.

UNITED STATES-JAPAN FOUNDATION

Notes to Financial Statements December 31, 2003 and 2002

NOTE C - PROPERTY AND EQUIPMENT

The costs of a cooperative apartment owned by the Foundation (including subsequent improvements), office furnishings, equipment and leasehold improvements have been capitalized and are being depreciated over their anticipated useful lives. The apartment and related improvements are depreciated over forty years. Office furnishings and equipment are depreciated over five years. Leasehold improvements are amortized over the life of the lease. Depreciation and amortization expense was \$65,691 and \$70,481 for each of the years ended December 31, 2003 and 2002, respectively.

At each year-end, property and equipment consisted of the following:

	<u>December 31,</u>	
	<u>2003</u>	<u>2002</u>
Cooperative apartment	\$ 790,725	\$ 790,725
Cooperative apartment improvements	242,700	242,700
Leasehold improvements	400,535	400,535
Equipment	202,921	201,452
Furniture and fixtures	<u>411,325</u>	<u>411,325</u>
	2,048,206	2,046,737
Less accumulated depreciation and amortization	<u>1,368,937</u>	<u>1,305,233</u>
	<u>\$ 679,269</u>	<u>\$ 741,504</u>

During the year ended December 31, 2003, the Foundation wrote off obsolete equipment of \$2,250 with an accumulated depreciation of \$1,987, for a realized loss of \$263. The maintenance charges on the cooperative apartment were \$40,981 and \$36,925 for the years ended December 31, 2003 and 2002, respectively.

NOTE D - LEASES

At December 31, 2003, future minimum lease payments under noncancellable leases (with expirations through 2007) are as follows:

2004	\$ 121,160
2005	124,774
2006	125,820
2007	<u>20,970</u>
	<u>\$ 392,724</u>

Rent expense was \$183,175 and \$171,875 for each of the years ended December 31, 2003 and 2002, respectively.

NOTE E - RETIREMENT PLAN

The Foundation has a defined-contribution retirement plan for the benefit of its employees. Contributions were \$123,917 and \$125,358 for the years ended December 31, 2003 and 2002, respectively.

UNITED STATES-JAPAN FOUNDATION

Notes to Financial Statements December 31, 2003 and 2002

NOTE F - GRANT ACTIVITY

The Foundation's grant activity for the year ended December 31, 2003 was as follows:

Recipient Name and Purpose	Unpaid January 1, 2003	Net Grants Authorized 2003	Paid	Unpaid December 31, 2003
Precollege Education				
AmerAsian School in Okinawa (Okinawa, Japan) To support the enhancement of the bilingual/bicultural education provided to students at the AmerAsian School in Okinawa through the hiring of two American teachers.	\$ 25,000		\$ 25,000	
AmerAsian School in Okinawa (Okinawa, Japan) To support the second year of a three-year project for the enhancement of the bilingual/bicultural education provided to students at the AmerAsian School in Okinawa through the hiring of two American teachers.		\$ 50,000	25,000	\$ 25,000
Anacortes School District (Anacortes, WA) To support, as part of the Elgin Heinz Outstanding Teaching Award Program, the study of Japan and the Japanese language at Island View Elementary School and Anacortes School District through Japanese language instruction and necessary software, teacher professional development on Japan, and Japan-related field trips.		5,000	5,000	
Association for Asian Studies (Ann Arbor, MI) To publish and distribute a special section on teaching the performing and visual arts of Japan in <i>Education about Asia</i> .		35,000	35,000	
AYUSA International (San Francisco, CA) To support the first year of a three-year project to selectively recruit ten high school students for an academic year of study and service in Japan.		91,596	45,798	45,798
Camden High School (Camden, NJ) To support the implementation of a Japanese language program.		5,000		5,000
Densho (Seattle, WA) To support a bilingual education website that will use paintings by the artist Roger Shimomura to instruct middle-school children in the United States and Japan about the World War II incarceration of Japanese Americans.	34,362		34,362	
Des Moines Independent Community School District (Des Moines, IA) To support a project to bring cultural experts from Japan to Des Moines, Iowa to demonstrate their skills and knowledge to students as part of the Elgin Heinz Outstanding Teacher Award.		5,000	5,000	
Grand Forks Public School District (Grand Forks, ND) To support the second year of a three-year project to establish and sustain Japanese Studies courses at high schools in Grand Forks, North Dakota and the surrounding area, as well as develop an Internet exchange program for students of Grand Forks, ND and Awano, Japan.	31,057			31,057
Grand Forks Public School District (Grand Forks, ND) To support the third year of a three-year project to establish and sustain Japanese Studies courses at high schools in Grand Forks, North Dakota and the surrounding area, as well as develop an Internet exchange program for students of Grand Forks, ND and Awano, Japan.		49,963	49,963	
Hokkaido University of Education (Sapporo, Japan) To support the third year of a three-year America study program for precollege teachers from Hokkaido.	6,897	763	7,660	
Hyogo University of Teacher Education (Yashiro, Japan) To support a professional development program on American Studies for elementary, junior high, and high school teachers from throughout Hyogo Prefecture.	98,439	5,349	103,788	
(carried forward)	195,755	247,671	336,571	106,855

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Notes to Financial Statements December 31, 2003 and 2002

NOTE F - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2003	Net Grants Authorized 2003	Paid	Unpaid December 31, 2003
(brought forward)	\$ 195,755	\$ 247,671	\$ 336,571	\$ 106,855
Precollege Education (continued)				
Hyogo University of Teacher Education (Yashiro, Japan) To support the second year of a three-year professional development Program on American Studies for elementary, junior high, and high school teachers from throughout Hyogo Prefecture.		126,603		126,603
Hyogo University of Teacher Education (Yashiro, Japan) To support a research project on American Studies under the direction of Dr. Masamichi Sasaki including a survey on teaching American Studies at the precollege level in Japan.		51,788	51,788	
Mississippi State University (Mississippi State, MS) To support the third year of a three-year project in Japanese studies for middle and high school social studies teachers from across Mississippi.	38,848		38,848	
Project GRAD Los Angeles (North Hollywood, CA) To support a four-week intensive enrichment program on Japanese language, history, art and culture for 50 Project GRAD Scholars.		50,000	50,000	
Stanford University (Stanford, CA) The first year of a three-year Internet-mediated Japan Studies course for exemplary high school students in the United States.		80,520	40,260	40,260
The Fund for Public Schools, Inc. (New York, NY) To support the third year of a three-year Japanese language and cultural exchange program for New York City Public High School students studying Japanese.		20,000	20,000	
The Japan-America Society of Washington, DC (Washington, DC) To support the eleventh year of a national language competition and supporting regional competitions for high school students studying Japanese.	61,477		61,477	
The Japan-America Society of Washington, DC (Washington, DC) To support the twelfth year of a national language competition and supporting regional competitions for high school students studying Japanese.		124,960	62,480	62,480
The Laurasian Institution (Tokyo, Japan) To support the second year of a three-year Japan studies program for 10 teams of two teachers and four of their students from US Great Lakes States.	57,649		57,649	
The Laurasian Institution (Tokyo, Japan) To support the third year of a three-year Japan studies program for eight teams of two teachers and four of their students from US Great Lakes States.	179,520		119,680	59,840
The Midori Foundation (New York, NY) A discretionary grant in support of the growth and development of music education programs, pre-concert workshops, and a week-long Adventure Concert featuring Midori and in honor of the Midori Foundation's 10 th Anniversary.		25,000	25,000	
University of Oregon (Eugene, OR) The first year of a three-year project to support the creation of a national system of articulation in Japanese language based on clear and measurable standards.	99,607		99,607	
University of Oregon (Eugene, OR) To support the second year of a three-year project to create a national system of articulation in Japanese language based on clear and measurable standards.		100,522	50,261	50,261
University of Pennsylvania (Philadelphia, PA) To support the third year of a three-year teacher-training program in Japan Studies for precollege educators in the Greater Philadelphia Region.	160,141		160,141	
(carried forward)	792,997	827,064	1,173,762	446,299

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Notes to Financial Statements December 31, 2003 and 2002

NOTE F - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2003	Net Grants Authorized 2003	Paid	Unpaid December 31, 2003
(brought forward)	\$ 792,997	\$ 827,064	\$ 1,173,762	\$ 446,299
Precollege Education (continued)				
University of Tennessee at Chattanooga (Chattanooga, TN) To support the third year of a three-year Japan-studies project for high school teachers from Arkansas, Missouri, and Tennessee designed to enhance teaching about Japan in under-served rural and inner-city public schools.	205,233		51,308	153,925
University of the Ryukyus (Okinawa, Japan) To support the third year of a three-year teacher-professional development program in American Studies for social studies and English teachers from Okinawa.	5,684	629	6,313	
University of Vermont (Burlington, VT) To promote the study of Japan in schools throughout Vermont under the guidance of two educators at the University of Vermont.	100,931		100,931	
Yamaguchi University (Yamaguchi, Japan) To support the second year of a three-year project designed to give teachers and pupils from primary to high school a wider and deeper understanding of America.	6,800	752	7,552	
Yamaguchi University (Yamaguchi, Japan) To support the third year of a three-year project designed to give teachers and pupils from primary to high school a wider and deeper understanding of America.		125,105	101,420	23,685
Subtotal for Precollege Education	<u>\$ 1,111,645</u>	<u>\$ 953,550</u>	<u>\$ 1,441,286</u>	<u>\$ 623,909</u>
US-Japan Policy				
Henry L. Stimson Center (Washington, DC) To support the second year of a three-year fellowship program that brings Japanese military/security specialists to Washington, DC for an intense two to three-month period of research and networking.	\$ 45,000		\$ 45,000	
Henry L. Stimson Center (Washington, DC) To support the third year of three-year fellowship program that brings Japanese military/security specialists to Washington, DC for an intense two to three-month period of research and networking.		\$ 30,000	30,000	
Int'l Council for Local Environmental Initiatives (ICLEI), Japan Office (Tokyo, Japan) To support the first year of a two-year exchange and research program linking six U.S. and Japanese cities in a joint investigation of barriers to implementing local climate protection policies.	73,749	1,653	75,402	
Int'l Council for Local Environmental Initiatives (ICLEI), Japan Office (Tokyo, Japan) To support the second year of a two-year exchange and research program linking six U.S. and Japanese cities in a joint investigation of barriers to implementing local climate protection policies.		115,826		\$ 115,826
Massachusetts Institute of Technology (Japan Program) (Cambridge, MA) To help support the MIT – Japan Program's Symposium on "The Changing Geo-Politics of East Asia" in Tokyo, which will investigate the security architecture in East Asia and the future of the US-Japan Alliance.		5,000	5,000	
National Committee on American Foreign Policy (New York, NY) To support a Roundtable on Northeast Asian Security.		30,000	30,000	
(carried forward)	118,749	182,479	185,402	115,826

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Notes to Financial Statements December 31, 2003 and 2002

NOTE F - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2003	Net Grants Authorized 2003	Paid	Unpaid December 31, 2003
(brought forward)	\$ 118,749	\$ 182,479	\$ 185,402	\$ 115,826
US-Japan Policy (continued)				
Osaka University (OSIPP) (Toyonaka, Japan) To support the second year of a two-year project to provide the analytical framework for building and improving Japan-US cooperation in crisis situations: financial, natural disaster, accident or other such challenges.	19,318	300	19,618	
The Monterey Institute of International Studies (Monterey, CA) To support a series of policy research and discussion meetings by American and Japanese arms control specialists to supplement the work of the U.S.-Japan Commission on Arms Control, Disarmament, Non-Proliferation and Verification.	35,000		35,000	
The Monterey Institute of International Studies (Monterey, CA) To support the second year of a series of policy research and discussion meetings by American and Japanese arms control specialists to supplement the work of the U.S.-Japan Commission on Arms Control, Disarmament, Non-Proliferation, and Verification.		25,000	25,000	
Subtotal for US-Japan Policy	<u>\$ 173,067</u>	<u>\$ 207,779</u>	<u>\$ 265,020</u>	<u>\$ 115,826</u>
Communications/Public Opinion				
Harmonia Opera Company (New York, NY) To support the 22 nd Anniversary Performance that will feature a world premiere of the Japanese Noh Opera KANTAN.		\$ 2,500	\$ 2,500	
Japan Society (New York, NY) To support the second year of a three-year, intensive fellowship program for Japanese and American media professionals, allowing them to reside, study and work for two to three months in the other country, focused on a research topic of their choice.	\$ 180,000		180,000	
Japan Society (New York, NY) To support the third year of a three-year intensive fellowship program for Japanese and American media professionals, allowing them to reside, study and work for two to three months in the other country, focused on a research topic of their choice.		220,000	55,000	\$ 165,000
Japan-Louisiana Friendship Foundation (Zachary, LA) To help support its "Hattori Fellows" program that each year selects up to four Japanese or American high school students to spend two to three weeks in the other country to promote greater understanding and friendship between Louisiana and Japan in memory of Yoshihiro Hattori, who was killed while an exchange student in Baton Rouge in 1992.		5,000	5,000	
Japanese American National Museum (Los Angeles, CA) To support the first year of a three-year project that will bring together younger leaders from Japan and the Japanese American community in the United States to collaborate on issues of mutual concern in advancing U.S.-Japan relations.	25,000			25,000
Japanese American National Museum (Los Angeles, CA) To support the second year of a three-year project that will bring together younger leaders from Japan and the Japanese American community in the United States to collaborate on issues of mutual concern in advancing US-Japan relations.		50,000	50,000	
National Bureau of Asian Research (NBR) (Seattle, WA) To support the commissioning of ten short research papers from leading specialists in Japan and the United States on contemporary bilateral issues for online dissemination and structured debate on the "Japan-U.S. E-mail Discussion Forum."	10,000		10,000	
(carried forward)	<u>215,000</u>	<u>277,500</u>	<u>302,500</u>	<u>190,000</u>

UNITED STATES-JAPAN FOUNDATION

Notes to Financial Statements December 31, 2003 and 2002

NOTE F - GRANT ACTIVITY (CONTINUED)

Recipient Name and Purpose	Unpaid January 1, 2003	Net Grants Authorized 2003	Paid	Unpaid December 31, 2003
(brought forward)	\$ 215,000	\$ 277,500	\$ 302,500	\$ 190,000
Communications/Public Opinion (continued)				
Projectile Arts (Brooklyn, NY) To support the production of a 90-minute documentary film on high school baseball in Japan.		50,000	50,000	
Public Radio International (Minneapolis, MN) To support the enhanced coverage of Japan in PRI's daily international News program, <i>The World</i> .		75,000	37,500	37,500
The Isamu Noguchi Foundation (Long Island City, NY) To support The Isamu Noguchi Garden Museum and to honor Isamu Noguchi's life and the role he played in enhancing understanding between Americans and Japanese.		1,000		1,000
The Japan Committee to Aid Democracy for Peace Building (ADP Committee) (Tokyo, Japan) To support a series of twelve workshops to further research country models and facilitate discussions on establishing a foundation in Japan that can partner with similar groups in the United States and other countries to help promote democracy abroad through non-government efforts.		26,702	26,702	
Subtotal for Communications/Public Opinion	<u>\$ 215,000</u>	<u>\$ 430,202</u>	<u>\$ 416,702</u>	<u>\$ 228,500</u>
Subtotal	\$ 1,499,712	\$ 1,591,531	\$ 2,123,008	\$ 968,235
Prior years' awards withdrawn/returned in current year		(35,910)	(35,910)	
Total	<u>\$ 1,499,712</u>	<u>\$ 1,555,621</u>	<u>\$ 2,087,098</u>	<u>\$ 968,235</u>

- (a) Net grants authorized reflect the additions of net currency losses which totaled (\$14,668) for the year. Current year reductions in awards have been netted against the original award.
- (b) Unexpended funds returned in the current year are netted against payments.